

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NASSAU : PART 7

- - - - - X  
BRIAN CHABRIER, INDIVIDUALLY AND AS A  
MEMBER OF NORTSHORE MOTOR LEASING,  
LLC, SUING ON BEHALF OF HIMSELF AND  
ALL OTHER MEMBERS OF NORTSHORE MOTOR  
LEASING, LLC SIMILARLY SITUATED  
AND IN THE RIGHT OF NORTSHORE MOTOR  
LEASING, LLC; JOSHUA AARONSON AS A  
MEMBER OF 189 SUNRISE HWY AUTO, LLC,  
SUING ON BEHALF OF HIMSELF AND ALL  
OTHER MEMBERS OF 189 SUNRISE HWY  
AUTO, LLC SIMILARLY SITUATED, JORY  
BARON, 1581 HYLAN BLVD AUTO, LLC,  
1580 HYLAN BLVD AUTO LLC, 1591 HYLAN  
BLVD AUTO LLC, 1632 HYLAN BLVD  
AUTO LLC, 1239 HYLAN BLVD AUTO LLC,  
2519 HYLAN BLVD AUTO LLC, 76 FISK  
STREET REALTY LLC, 446 ROUTE 23 AUTO  
LLC, ISLAND AUTO MANAGEMENT, LLC,

Index No.  
617224/2022

PLAINTIFFS,

- AGAINST -

ANTHONY DEO, NORTSHORE MOTOR LEASING,  
LLC, 189 SUNRISE HWY AUTO, LLC,  
LIBERTAS FUNDING, LLC, HARRY R.  
THOMASSON, ESQ.,

DEFENDANTS.

- - - - - X

31st of May, 2023  
Mineola, New York

B E F O R E : HONORABLE SHARON MJ GIANELLI

Justice.

1     A P P E A R A N C E S :

2     Plaintiffs:

3                     JEFFREY C. RUDERMAN, ESQ.  
4                     Cyruli Shanks & Zizmor, LLP  
5                     Attorneys at Law  
6                     420 Lexington Avenue, Ste 2320  
7                     New York, NY 10170

8     Defendants:

9                     HARRY ROGER THOMASSON, ESQ.  
10                    3280 Sunrise Highway #112  
11                    Wantagh, NY 11793  
12                    On behalf of Anthony Deo, North Shore  
13                    Motor Leasing, Sunrise Highway  
14                    Self as escrow agent

15                    DAVID EPSTEIN, ESQ.  
16                    Faskowitz Law Firm  
17                    61-43 186th Street, Suite 207  
18                    Fresh Meadows, New York, 11365  
19                    For the defendant Libertas Funding, LLC  
20  
21  
22  
23  
24  
25

1                   THE CLERK: Index number of 617224/2022. Brian  
2                   Chabrier individually and as a member of North Shore Motor  
3                   Leasing, LLC, suing on behalf himself and all other members  
4                   of North Shore Motor Leasing, LLC, similarly situated and  
5                   in the right of North Shore Motor Leasing, LLC Joshua  
6                   Aaronson, as a member of the 189 Sunrise Highway auto, LLC,  
7                   suing on behalf of himself and all other members of the 189  
8                   Sunrise Highway Auto, LLC, similarly situated Jory Baron,  
9                   1581 Hylan Boulevard Auto, LLC, 1580 Hylan Boulevard Auto,  
10                  LLC, 1591 Hylan Auto, LLC, 1632 Hylan Boulevard Auto, LLC,  
11                  1239 Hylan Boulevard Auto, LLC, 2519 Hylan Boulevard Auto,  
12                  LLC, 76 Fisk Street Realty, LLC, 446 Route 23 Auto, LLC,  
13                  Island Auto Management, LLC against Anthony Deo, North  
14                  Shore Motor Leasing, LLC, 189 Sunrise Highway Auto, LLC,  
15                  Libertas Funding, LLC, Harry R. Thomasson Esq.

16                  Counsel, please state your names for the record.

17                  MR. RUDERMAN: Good morning, your Honor, Jeffrey  
18                  Ruderman the firm is Cyruli, Shanks & Zizmor, LLP on behalf  
19                  of plaintiffs.

20                  THE COURT: Good morning, Counsel.

21                  MR. THOMASSON: Harry Thomasson, 3280 Sunrise  
22                  Highway, Box 122, Wantagh, New York, on behalf of  
23                  defendants Anthony Deo, North Shore Motor Leasing, Sunrise  
24                  Highway and myself as escrow agent. My client, Mr. Deo is  
25                  here with me this morning, your Honor.

1 THE COURT: Good morning.

2 MR. EPSTEIN: David Epstein with the Faskowitz Law  
3 Firm, 61-43 186th Street, Suite 207, Fresh Meadows, New  
4 York, 11365 for the defendant Libertas Funding, LLC.

5 THE COURT: Good morning, everyone, have a seat  
6 please.

7 Well, we have our hands filled with this one.

8 So there are two motions that are before the court  
9 this morning. Motion sequence one is Plaintiffs' order to  
10 show cause with a TRO. And the court did, in fact, issue a  
11 TRO dated December 14th, 2022 in connection with this  
12 motion.

13 Now just so that we're clear, the order to show  
14 cause seeks an order from the court A, directing defendant  
15 Anthony Deo to return to North Shore Maserati demonstration  
16 vehicle being used by his son; B directing Deo to return  
17 all of the dealerships, quote, dealer, unquote, license  
18 plates; C, directing Deo to return all other license plates  
19 designated to be issued for vehicles upon sale or lease to  
20 a consumer; D, directing Deo to pay off all existing loans  
21 on customers trade in vehicles; E, directing Deo to deliver  
22 to plaintiffs all unsold vehicles owned by North Shore and  
23 Sunrise; F, requiring Deo to account for all receipts and  
24 expenditures of the dealerships; G, directing Deo to turn  
25 over the books and records of the dealerships for

1 inspection and review; H, directing Deo to return all DMV  
2 documents and enjoining Deo from taking any and all actions  
3 to sell, lease, transfer, pledge or otherwise encumber the  
4 assets of North Shore and Sunrise; J, enjoin and restrain  
5 Deo from concealing, transferring, altering, modifying,  
6 destroying or disposing in any manner of any assets of  
7 North Shore and Sunrise; K, from removing any funds of  
8 North Shore and Sunrise from its bank accounts; L, using  
9 the assets of North Shore and Sunrise to pay for the cost  
10 of defending this action; M, concealing, transferring,  
11 secreting, altering, modifying, destroying or disposing in  
12 any manner any evidence pertaining to the claims asserted  
13 herein; N, using any license issued in the name of Brian  
14 Chabrier, Joshua Aaronson or Jory, J-O-R-Y, Barron to  
15 conduct any business of North Shore and Sunrise enjoining  
16 and restraining Libertas, L-I-B-E-R-T-A-S, Funding, LLC,  
17 from enforcing any rights against the assets of the  
18 dealerships and enjoining and restraining Harry A.  
19 Thomasson, Esq. from dispersing the proceeds from Libertas  
20 which were deposited into his attorney IOLA account.

21 Now, again, this motion is the -- or this order to  
22 show cause is the one on which the TRO was issued on  
23 December 14th, 2022. The court is going to hear argument  
24 on this matter after which the court will obviously make a  
25 determination on the underlying relief requested. The

1 second motion, motion sequence two, and this is the  
2 defendants, defendants Anthony Deo, North Shore Motor  
3 Leasing, LLC, 189 Sunrise Highway Auto LLC and Harry  
4 Thomasson, Esq. Those defendants, it is their motion to  
5 dismiss the complaint based on one, CPLR 3211 A1  
6 documentary evidence; two 3211 A3 standing; three, 3211 A1  
7 collateral estoppel slash unclean hands; four, 3211 A7,  
8 failure to state a cause of action; and the fifth request  
9 in motion sequence 002 is a request for a preliminary  
10 injunction. And that preliminary injunction seeks to  
11 enjoin Plaintiffs from hereafter encumbering, leaning or  
12 dissipating any assets of Baron Nissan compelling  
13 enforcement of the Baron Nissan contract, scheduling an  
14 immediate trial on the within matters pursuant to CPLR 3211  
15 C or in the alternative scheduling an inquest and  
16 compelling Plaintiffs to return all files illegally and  
17 impermissibly taken from the corporate defendants  
18 compelling Plaintiffs to return access to the moving  
19 defendant for all software Plaintiffs have removed access  
20 to since the court issued the TRO.

21 So those are the two motions that are before the  
22 court. I don't normally take the time to read in such  
23 great detail but because they are so divergent from each  
24 other, I thought it best to have a cleaner record and  
25 obviously this case centers on a dispute concerning car

1 dealerships and ownership interests and levels of  
2 authorization to manage the company, encumber the company,  
3 et cetera. So that's why we're here today. And I'm going  
4 to -- I'm trying to think in terms of making sense. We'll  
5 start with the first. And, again, the first has to do with  
6 the Plaintiffs' order to show cause which a TRO was issued.

7 Before we go any further, I'm also in receipt  
8 recently of letters. The first letter sent by Plaintiffs  
9 who claim that defendant, Mr. Deo, has been violating the  
10 court's temporary restraining order which was again issued  
11 in December of 2022. And I just moments ago received a  
12 letter on Mr. Thompson -- is this Thompson or Thomasson?

13 MR. THOMASSON: It's Thomasson.

14 THE COURT: Mr. Thomasson's letterhead countering  
15 that. So I am in receipt of that. There is, however, no  
16 official motion in connection with any allegations of a  
17 violation of the TRO. With that said, did I state,  
18 understate, overstate, misstate anything?

19 MR. THOMASSON: I think you covered it, your  
20 Honor.

21 MR. RUDERMAN: I think it's covered, your Honor,  
22 yes.

23 THE COURT: So now we'll start with motion  
24 sequence one, again, that is the Plaintiffs' order to show  
25 cause. Yes.

1 MR. RUDERMAN: Your Honor, again Jeffrey Ruderman  
2 on behalf of the plaintiff in support of the motion for the  
3 preliminary injunction which this court already issued  
4 temporary retraining order.

5 Plaintiffs' motion is primarily predicated on  
6 relation to two particular dealerships as the court is  
7 fully aware. One is North Shore Motors and the other is  
8 189 Sunrise. These dealerships are licensed by Department  
9 of Motor Vehicles. And their license was issued in the  
10 names of three of the Plaintiffs Brian Chabrier, Josh  
11 Aaronson and Jory Baron. And that's the crux of the order  
12 to show cause and the relief that's requested.

13 The fact of whether the ownership of the  
14 dealership is in my client's name or his name is an  
15 essential issue in the case, but the primary issue before  
16 the court here on injunctive relief really relates to the  
17 use of the licenses that are held by these Plaintiffs and  
18 the use by Mr. Deo and the operation of the dealerships.  
19 But I think what really brings this to a head, what makes  
20 this clear and immanent danger and why the preliminary  
21 injunction needs to be issued, are these two letters and,  
22 your Honor, it is true I did not move for contempt.

23 THE COURT: It's not a request that you do, an  
24 invitation. I'm just noting it for the record. Yes.

25 MR. RUDERMAN: And I am clarifying for the record I



1 wanted to bring it to the court's attention at this point  
2 in time, we'll deal with it as it goes how it goes, your  
3 Honor, will tell us how we should proceed. I thought it  
4 was important that we're here. It's been a long time since  
5 the court has had a chance to review the papers initially  
6 but I thought it was very important.

7 What's really important, your Honor, is that it is  
8 clear from the paperwork and the letter that I sent that  
9 Mr. Deo took out a loan from Flushing Bank in March of  
10 2023. And in doing so he pledged the assets all of the  
11 assets of North Shore Motors. That's attached to my letter  
12 of yesterday. And it says the proceeds, receivables,  
13 products, contract rights, that's right behind the schedule  
14 various UCC liens. It describes the assets that are  
15 mentioned. Which means that every asset of the company of  
16 North Shore Motors has been pledged by Mr. Deo to Flushing  
17 Bank for some kind of loan.

18 We don't know what it's for. We don't know how  
19 much it's for. That's apparently undisputed. The response  
20 from Mr. Thomasson, Mr. Deo is, oh, my clients knew about  
21 that a year ago when an application was made. I did speak  
22 to my client, they don't have a recollection, but it's  
23 irrelevant even if an application was filed a year ago and  
24 even if my clients knew about it a year ago. A lot has  
25 happened in that year.

1                   Specifically in December of this year, this court  
2                   issued a TRO and the TRO restrains the defendant from, this  
3                   is on the TRO portion on the order to show cause, taking  
4                   any action to sell, lease, transfer, pledge or otherwise  
5                   encumber any assets North Shore and Sunrise include but not  
6                   limited to any motor vehicles or disposing in any manner  
7                   the assets or using the assets of North Shore or Sunrise to  
8                   pay for the action.

9                   So whether it was known last year is irrelevant.  
10                  The point is that we see that Mr. Deo takes matters into  
11                  his own hands. He says these companies are mine and I will  
12                  do with them what I will. I don't care what the court  
13                  issued as an order. Unfortunately that seems to be  
14                  Mr. Deo's MO because this isn't the first time, your Honor,  
15                  that Mr. Deo has taken this action.

16                  In 2016 Mr. Deo pled guilty to three counts of  
17                  bank fraud in the Southern District of New York. We didn't  
18                  know at the time we filed the papers my clients didn't know  
19                  when they got involved with Mr. Deo. Pursuant to the  
20                  parole requirements, I have the judgement here if your  
21                  Honor would like to see, that the parole requirement  
22                  prohibited him from taking any loans for three to five  
23                  years after his judgment.

24                  So Mr. Deo is not averse to doing what he believes  
25                  needs to be done. Whether it's compliance with the law or

1 not. And for that reason alone, your Honor, that he  
2 completely flouted this court's direction, that he has a  
3 history of criminal activity directly related to banks, in  
4 and of itself, is an indication that my client needs  
5 protection. The ownership of the dealership is in dispute.

6 THE COURT: Is there a violation of parole filed  
7 in connection with your allegations?

8 MR. RUDERMAN: No, because the parole ended prior  
9 to it was issued in January of 2016, I believe it would  
10 have ended in January of 2021. So the allegations our  
11 position is that he violated the parole, but we now know  
12 have a better idea as to what he was dealing with and the  
13 context of the relationship. When Mr. Deo describes in the  
14 context of this lawsuit in his very lengthy affidavit  
15 which, you know, numerous repeats facts, he said, I met  
16 David Baron because he had this struggling business and he  
17 had a high interest rate. David Baron was going to help  
18 me. Give me a lower interest rate. He doesn't say, oh, I  
19 didn't get a loan at that time in 2018 because I couldn't  
20 get a loan.

21 I was a convicted felon. I couldn't get a loan  
22 and David Baron was my way out. He was the person I was  
23 going to take advantage of. Get him to supply me with the  
24 loan and when my parole ends, I'm going to do what I want.  
25 Right now my hands are tied. That's not that is something

1 we didn't know, my client didn't know, David Baron has  
2 passed away. I don't think he knew about it either.

3 So these are the context of the relationship. The  
4 false relationship where Mr. Deo has and his relationship  
5 with our client. So further, by the way, your Honor, in  
6 connection with the loan taken out Flushing Bank let's keep  
7 in minds Mr. Thomasson said, well, it doesn't matter also  
8 because he's, Mr. Deo, started a new company. He's going  
9 to start in a new weeks.

10 Well that really begs a bigger question. Well now  
11 he pledged all the assets from North Shore for a loan from  
12 Flushing Bank for what Mr. David says it's a nonoperating  
13 business. He borrowed money, pledged assets of  
14 nonoperating business and started a new business. I think  
15 we can all guess what that money is being used for. His  
16 new business. So he has taken money from the disputed  
17 assets which he is restrained from touching, borrowing  
18 money, taking that money, creating a new company which he's  
19 going to apparently get a new license and then go off his  
20 merry way.

21 Your Honor, if there is any clear indication as to  
22 why this man needs to be restrained from taking any action  
23 related to these dealerships, related to these licenses,  
24 that's it. Let's add on to that, by the way, your Honor, I  
25 haven't seen these new licenses that he claims he's

1 getting, but I do know on the application for the license  
2 to the DMV asked, have you ever been convicted of a felony.  
3 I don't know that they just hand out licenses left and  
4 right to dealers who deal with financing, et cetera and so  
5 forth when somebody is convicted of bank fraud, number one.

6 Number two, I haven't seen his DMV application. I  
7 would suspect, although I can't accuse him, that maybe it  
8 doesn't have that little check box and explanation on his  
9 application. Maybe it did and maybe they gave him the  
10 license anyway, but I think that's something that he should  
11 present to the court and we should all take a good look at  
12 that. And we should also see whether he actually gets a  
13 DMV license.

14 Now in our application, your Honor, we set forth a  
15 host of facts in support of all the bad acts that Mr. Deo  
16 has done. Not just --

17 THE COURT: Where I'd like you to start for me is  
18 and a clear explanation of the interests and the ownership  
19 interests distinction between the ownership interest and  
20 the licenses and the use thereof and obviously competing  
21 views.

22 MR. RUDERMAN: I'll try to clarify, your Honor, if  
23 I'm understanding the question correctly.

24 So you do not have to -- a licensee from the DMV  
25 -- again, your Honor, I am not in the automobile business.

1 We do represent them relatively frequently. These are my  
2 understanding of the way it works. The DMV license does  
3 not have to be held by an owner of the business. But they  
4 usually are held by an owner. And I could be wrong. There  
5 maybe need to be an ownership interest in order to hold the  
6 DMV license. I don't want to mislead the court in that  
7 sense.

8 But in either case, the license is issued to the  
9 dealership and in the dealerships name. So when you submit  
10 the application to the DMV, you're asking for the DMV to  
11 license a particular entity. And very importantly, your  
12 Honor, has a specific location. So when you submit the  
13 application, you can't just say, I have a company A and we  
14 just did -- we'll pop up a tent wherever we want to.

15 The DMV actually comes out and inspects your  
16 location to make sure that you are where you say you are.  
17 And they issue the license right there. If you move next  
18 door, you have to amend the license to do that. So it's  
19 only for the dealership and it's only at a location and  
20 what it's for. But the DMV wants people personally on the  
21 hook for these licenses.

22 So the license is issued to a dealership, but in  
23 the internal records of the license, there is a license  
24 applicant. Which is an individual or a group of  
25 individuals. And the DMV holds them personally responsible

1 for what people do with their license. So hopefully they  
2 are, you know, smart enough and thoughtful enough to make  
3 sure that the people who are running their dealerships are  
4 using their licenses properly. But if they are not, they  
5 are subject to a severe penalties. And so as your Honor  
6 may be aware if you go to dealership, there are plates,  
7 there are license plates, there are official DMV state  
8 license plates, but they are given to a dealership. And as  
9 well as inspections and all other DMV records are given to  
10 the dealership, and since they are held in trust. And the  
11 DMV requires you to account for all of them because we  
12 can't just have, right, people walking around with license  
13 plates and we don't depot who they are registered to.

14 So there is strict guidelines as to how they are  
15 supposed to be maintained and kept. And the DMV we've had  
16 other clients, not this client, who have misplaced some  
17 records, the DMV comes down and issues hearings and fines,  
18 et cetera and so forth. And when you have fines or other  
19 types of violations that are held against your license it  
20 goes on the record. At some point if there are enough of  
21 them the license can be either suspended or even revoked.

22 And that also goes to -- another question on the  
23 application for the DMV when you apply for an application  
24 which remember, your Honor, the individual does, but he may  
25 open two or three or five dealerships. He would have to

1 put in a separate application for each one. The question  
2 on that one is has your license with the DMV ever been  
3 suspended or revoked. So my clients, Mr. Chabrier,  
4 Mr. Aaronson and Mr. Baron are subject to the whimsy of  
5 Mr. Deo in properly and accurately maintaining all the  
6 records and the dealership plates and such to make sure  
7 that there isn't a hearing that there isn't a violation  
8 because if there is, they will then affect their ability in  
9 this with this dealership, but very importantly in another  
10 dealership. Whether they open a new one or have an  
11 existing one.

12 It will affect their ability to open up another  
13 dealership because when they submit their application they  
14 will have to explain why their license was suspended or  
15 revoked. And it's not in their hands.

16 Mr. Deo fully admits, I was running everything you  
17 didn't touch anything. Well, he's right. My client was  
18 really the money man. Owner money man. It's not uncommon  
19 in these types of situations. But Mr. Deo had the freedom  
20 to do whatever he wanted to in his mind because his license  
21 was not at stake. But every one of those complaints that  
22 come from customers doesn't affect him. It affects my  
23 clients as the holders of the licenses. Does that answer  
24 your question, your Honor?

25 THE COURT: Yes.



1                   MR. RUDERMAN: So in support of our motion for the  
2                   preliminary injunction, we are trying to establish that as  
3                   the standard we need to establish a likelihood of success  
4                   on the merits. We have suffered irreparable harm and  
5                   balance of the equity. So the more likelihood of success  
6                   on the merits, your Honor, we have several causes of action  
7                   that we laid out. I don't know if your Honor wants me to  
8                   go through of each one again. I'm more than happy I don't  
9                   know if you want me to go through each cause of action you  
10                  have and --

11                 THE COURT: No.

12                 MR. RUDERMAN: I didn't think so. But we believe  
13                 we set up sufficient facts. It's all in my brief with  
14                 appropriate caselaw. The irreparable harm, your Honor,  
15                 again, I want to stress again, we're not here today to  
16                 determine who owns the dealership. We're not asking the  
17                 court for that kind of relief. We understand that that is  
18                 we believe well beyond what is capable of being handled in  
19                 a setting like this without discovery, et cetera and so  
20                 forth, but certainly we are here saying there is no dispute  
21                 that the licenses were in the names of my clients.

22                 MR. THOMASSON: Objection. That is a false  
23                 statement. I assure you, your Honor, that is heavily  
24                 disputed.

25                 THE COURT: Okay, okay.

1 MR. RUDERMAN: Your Honor, I would ask for  
2 Mr. Thomasson to wait until I'm finished before he makes  
3 comments.

4 MR. THOMASSON: Objection. If he says something  
5 false, I will object every time.

6 THE COURT: I understand that there is a need for  
7 him to say that. Otherwise the record could appear as  
8 though he acquiesced in your statement. So under those  
9 circumstances, I understand. Otherwise he will wait until  
10 you're done.

11 MR. RUDERMAN: I'm not testifying, your Honor, I'm  
12 just an attorney. But in either case -- Mr. Deo, it's  
13 Mr. Deo, who says in his opposition papers that the  
14 licenses were sent by my clients to him to sign and an  
15 application amended to change the holders of the license.  
16 That's in his own opposition. Then he says, if I can again  
17 refer the court to that -- may I continue?

18 THE COURT: Yes, you may.

19 MR. RUDERMAN: So, your Honor, again what Mr. Deo  
20 puts in his opposing affidavit, is that he was sent the  
21 licenses to sign an amendment to change them well if the  
22 licenses are issued in the name and he signed them and sent  
23 them back. My clients said they never received anything  
24 back.

25 First of all, there may be good reason why he

1        didn't sign them and sent them back because, again, this  
2        issue of declaring that he was never convicted of a felony.  
3        That may have been a reason why he didn't send it back.  
4        But importantly, the fact that he acknowledges that my  
5        clients sent him the application. And he says, I signed  
6        them and sent them back.

7                Well, if the dealerships licenses are issued in  
8        the name of the dealership and my clients, individual  
9        clients, have nothing to do with them, what did he need to  
10       sign anything for? The dealership holds the license. So  
11       start operating under your name, what difference does it  
12       make? It's because the DMV needs an individual associated  
13       with that license and the individuals were my clients not  
14       Mr. Deo.

15               So in order for him to take responsibility at the  
16       DMV for what went on, the activity of that license, he had  
17       to sign the document saying I'm taking over for  
18       Mr. Chabrier, Mr. Aaronson and from Mr. Baron. So there is  
19       I don't think there is any doubt with regard to what had to  
20       happen for Mr. Deo to take over responsibility. That is  
21       the impetus, your Honor, for the irreparable harm that my  
22       clients current and future ability to operate businesses is  
23       at stake here.

24               And you know, your Honor, I think we need to take  
25       a step back. What is Mr. Deo fighting about? Didn't he

1 just write to the court saying, I have new licenses coming  
2 in three weeks, I don't need your license anymore. So why  
3 is he putting up a fight? He doesn't need the license. He  
4 doesn't need North Shore. He's got a new entity he's  
5 created. He's got new licenses in his name he claims.

6 So is there any harm for us getting the TRO which  
7 says he can't operate under a license which he says he  
8 doesn't need. So certainly I think for that reason alone  
9 there should be no objection by Mr. Deo saying we can get  
10 the TRO on the license that he says he doesn't need. And  
11 he doesn't need to operate.

12 And, your Honor, this is not just affecting my  
13 client, this is affecting consumers at large. What the  
14 complaint that my client is getting is that customers are  
15 coming to them, and but, your Honor, they are coming to  
16 them at Baron Nissan this is a new car dealership owned by  
17 the Baron family. And they are coming here and they are  
18 asking for some sort of remedy for issues that happened at  
19 North Shore Motors 189 Sunrise. And they are saying why  
20 are you coming here. Somebody at North Shore told us if  
21 you have a problem with what we did, go to Baron Nissan and  
22 they will take care of it.

23 And what type of problems do they have. We  
24 spelled this out in our papers very clearly. That these  
25 trade-ins these are huge issues. The one thing you can't

1 do is take a car in from a customer. And the customer owes  
2 money on that car to a finance company. And, say, I will  
3 give you the trade-in. I will pay off your loan. I will  
4 deduct the amount of your loan from how much I gave you on  
5 the value this vehicle. I will pay off the loan. And then  
6 take the car and sell the car, but not pay off the loan.  
7 Now that customer gets a bill from the finance company.  
8 \$350 for your missed payment.

9 MR. THOMASSON: Objection, your Honor, he's says  
10 he's not testifying but he's testifying. This is all  
11 outside of the four corners of the motion papers. I don't  
12 mind that much because I'm going to do the same thing to  
13 him, but you might want to make a decision on this because  
14 I have a lot of stuff to tell you about as well that we  
15 have since learned since the papers were put in.

16 THE COURT: I do find it useful to be sufficiently  
17 informed about -- let's, yes, I have read the papers, but,  
18 again, you all operate in your day-to-day practices in this  
19 sphere, so I welcome the additional information I don't  
20 really see it as testifying.

21 MR. THOMASSON: Objection withdrawn.

22 THE COURT: Okay. Thank you.

23 MR. RUDERMAN: Thank you, your Honor.

24 I was just trying to -- I believe all the basis  
25 for this is in the papers already. I'm trying to expand a

1           little bit give the court a little favor.

2                   THE COURT: I recall the reference you just made  
3           in your papers. I read that in your papers.

4                   MR. RUDERMAN: So what's happening is these  
5           customers would be getting notices of default from lenders  
6           saying, you owe money. And they say what do you mean, I  
7           traded my car in, they were supposed to pay it off. And  
8           they come to Baron Nissan who has no relationship or  
9           dealings with this entity with these two companies except  
10          that they are all relatives who owns, you know, the family  
11          relatives who own different companies.

12                   And what they are doing because they are all under  
13          one umbrella with the finance company, they are all trying  
14          to keep their own businesses and licenses and reputation  
15          alive is they are paying these off. They are actually  
16          coming out of pocket. And this is from some of the  
17          plaintiffs, the IAG group, Mr. Aaronson's group and such.  
18          They are actually coming out of pocket for cars that they  
19          never took in a trade. And they are paying off these  
20          loans. This is part of our claims. It's right in our  
21          papers.

22                   They are paying off these claims because they  
23          don't want customers who they don't even deal to now say,  
24          oh, I traded in, you own the company, you're licensed by  
25          the company. They complain to the company and certainly

1           hurting customers who are just innocent bystanders.

2                       Your Honor, under 349 CPL which we have the right  
3           if the consumers at large are being hurt by the actions of  
4           somebody we're involved in or even a competitor, your  
5           Honor, we're allowed to file that complaint. And that's  
6           what we're doing. He's got to stop these tactics. What's  
7           astounding, your Honor, you have read his opposition  
8           papers. I don't believe there is one time where he said I  
9           didn't do any of those things.

10                      So I don't know if Mr. Thomasson going to come up  
11           here and say, well, I forgot to put it in that he didn't do  
12           -- didn't do all those things. But I can tell you in the  
13           30-page affidavit, I don't think he says once, I didn't do  
14           those things.

15                      What he said was it's my company. You don't own  
16           it. I can do what I want. That's Mr. Deo. That just  
17           seems to be his MO. And that works great for Mr. Deo. I  
18           don't know if it works for this court. It certainly  
19           doesn't work the customers and it doesn't work for my  
20           clients.

21                      He needs to be stopped, your Honor. He needs to  
22           be stopped from doing whatever he wants to do. However he  
23           wants to do it. The cars that are listed, your Honor, on  
24           the website now whether those cars whether the website has  
25           been changed or not, Mr. Thomasson said it hasn't, I don't

1 know if it has or hasn't, but we did Carfax to see where  
2 are those cars. They were listed. I have here, your  
3 Honor, about eight or nine Carfax, which indicate each one  
4 of those cars at some point after this was issued was  
5 listed as being titled by either Sunrise or North Shore.  
6 And then transferred over to Sunrise or North Shore. I  
7 don't know why.

8 And then transferred to another company called  
9 Superb Motors which, your Honor, I can only speculate as to  
10 what's going on, but clearly these were vehicles at one  
11 point that were purchased for resale, but Mr. Deo on behalf  
12 of either Sunrise or North Shore either right before or  
13 right after the TRO was issued and he said I'm not sure I  
14 should sell them for myself. So I'm going to back door  
15 that.

16 I'm going to use Superb Motors and my license  
17 company because in order to register the vehicles you need  
18 to have a license. Whether he's using them or not, but  
19 that's all subterfuge because the cars belonged to Sunrise  
20 North Shore in December, January, February of 2023, your  
21 Honor. I have these Carfaxes here if the Court would like  
22 to peruse them.

23 So, again, we just have Mr. Deo conducting  
24 business as usual. He's going to open up another company.  
25 He's going to get another license and, you know, hopefully



1 not continue the same type of activities. But we're here  
2 to stop him from what he did before and as it relates to  
3 our clients. And, again, your Honor, what different does  
4 it make to him. He has no desire to continue on operating  
5 under our licenses.

6 I will note, your Honor, also that the 735  
7 thousand dollars which was taken out by Mr. Deo. So to be  
8 clear, it's a little confusing to us. It wasn't a loan.  
9 What Libertas did is it purchased future receipts of North  
10 Shore. So North Shore makes more money. As it makes money  
11 it's going to have a lien. It's going to then get paid  
12 back by those future receipts. So they bought about a  
13 million dollars worth of receipts for 735 thousand dollars.  
14 I guess they make the money on the spread. And they gave  
15 that money.

16 What's really curious, your Honor, is I have been  
17 doing this for a long time. And I can tell you when I have  
18 dealt with lenders and banks for clients, the one thing the  
19 lender always says, the money goes to the account where you  
20 borrow the money, where you finance the money whatever it  
21 is. I'm not giving you money. You want to start  
22 transferring money around that's your business, but I have  
23 a relationship with you.

24 Libertas actually allowed the money to go directly  
25 to Sunrise although North Shore signed the sale agreement.

1 And why did they do that. Now Mr. Deo insists up and down  
2 here, I have a right to write checks. I wrote checks from  
3 North Shore all the time. He doesn't explain in his papers  
4 why he had them give the money to Sunrise. He sold North  
5 Shore's assets for 735 thousand dollars. Why not put it  
6 into North Shore? Why did he have it switched to Sunrise?

7 And then when the complaint was made, the criminal  
8 complaint, which, your Honor, frankly my clients didn't  
9 want to be involved in the criminal complaint, gave the  
10 money to Mr. Thomasson and Mr. Thomasson apparently gave it  
11 to Mr. Deo. What did he do with that money. That's North  
12 Shore's money. I don't think there is any dispute with  
13 regard to that, right. He sold North Shore's assets. A  
14 million dollars worth of assets for 735 thousand dollars.

15 I think that's what the paperwork shows. So he  
16 took that money and where is that money being used. He's  
17 also prohibited from using North Shore assets to fund this  
18 litigation or for any for purpose. So is he funding  
19 litigation. Is he using it to start another business.

20 We're in the midst of litigation here. Nothing  
21 has been resolved. Started spending it like that, your  
22 Honor, another reason why this restraint should be in  
23 place.

24 I'm very curious as to Libertas' arrangement. I  
25 thought they were some third-party maybe they got caught up

1 in something thought they were doing their best. But here  
2 we are four months later, five months later. They never  
3 been paid even 735 nor have they been paid -- I think one  
4 monthly payment they took out before the restraining order  
5 took place. They haven't sued Mr. Deo as far as I can  
6 tell.

7 I have looked in the various documents. So they  
8 are owed 735. They brought a counterclaim against my  
9 client for the 735. Everybody agrees the money is in  
10 Mr. Deo's hands, but they didn't sue Mr. Deo. Libertas  
11 comes here, we're clean. I don't think they are so clean,  
12 your Honor. Why are they not suing Mr. Deo for the 735  
13 which he has.

14 So there is a lot going on here. I don't know  
15 what he told them. I'm not involved in all of that. But  
16 we see a lot of bad actors here. And my client -- I think  
17 the biggest mistake my clients made they really just didn't  
18 think this through. And they pumped a lot of money in  
19 hoping that he could make this thing work. They pumped  
20 millions, your Honor, you have seen the bank statements  
21 millions of dollars into this which is gone.

22 Where did it go? Mr. Deo had all these cars. And  
23 when he finally returned the cars -- which by the way,  
24 Mr. Thomasson points out my clients sold all those cars,  
25 yes, just to be clear what happened prior to the lawsuit,

1 all these cars were on the lot at North Shore and we were  
2 trying to resolve this without going to litigation. And  
3 one of the things that we were hoping to do is since all of  
4 those cars had a lien on them from our lender, Allied Bank,  
5 Mr. Thomasson was able to arrange for those vehicles to be  
6 returned to my client because we had to sell them to pay  
7 back Allied Bank.

8 Ultimately that's what needed to be done. He  
9 agreed to do that. Unfortunately many of the cars were  
10 damaged. We have pictures of them. The cars were in very  
11 poor shape. They were what they were. Some cars were not  
12 returned because they were in various shops or loaned to  
13 customers. We don't know what happened to them. So not  
14 all of the vehicles were returned.

15 With regard to the specific relief that's  
16 requested in the TRO just to bring it full circle back to  
17 what we're asking for, so the first one asking Mr. Deo to  
18 return the Maserati. And Mr. Deo says, well, my son's  
19 driving it, that's one of the perks of being in the  
20 business. Well that's all well and good if he bought the  
21 car. But he didn't buy the car. He didn't have money to  
22 the car. The car was purchased with Allied Bank money  
23 which is money my clients borrowed and repaid to Allied.

24 Mr. Deo can't show that he paid for this vehicle.  
25 And my clients paid interest on this and then repaid all

1 the money that was borrowed to pay that vehicle so  
2 Mr. Deo's son could drive around Penn State with that  
3 vehicle.

4 Your Honor, we believe with dealer plates because  
5 that car is not registered to any particular state. So  
6 we're missing some dealer plates which means that the  
7 dealer plates which are the responsibility of my clients.  
8 So if Mr. Deo's son should drive and be well but God forbid  
9 he gets into an accident or something happened, my clients'  
10 on the hook because their plates, their registration, their  
11 insurance which is covering all of that. That car should  
12 be returned.

13 B, directing to return all of the dealer plates.  
14 Again, there are some missing. My client was responsible  
15 for those dealer plates. If they don't turn them back into  
16 the DMV, your Honor should understand, my clients just  
17 turned in the license and surrenders it and doesn't have  
18 all of the paperwork to make everything clean, it triggers  
19 automatic audit then the DMV starts looking under the hood  
20 of everything. That's not going to be good for anybody in  
21 this particular situation.

22 As a matter of fact, your Honor, I can tell you  
23 now and it's going to be my suggestion whether now or later  
24 on, aside from the TRO aspect of it, we've tried to resolve  
25 the matter informally. We would suggest when this is all

1 over perhaps the court can direct us to a mandatory  
2 mediation program, your Honor. I think there is some  
3 common grounds here. Mr. Deo doesn't want to be involved  
4 in the dealership anymore. My client doesn't want to be  
5 involved with him anymore. My clients want to shut down  
6 the dealership. Maybe we need a third-party mediator to  
7 review that. I'm throwing that out, your Honor, as a  
8 request from us.

9 THE COURT: We'll get there.

10 MR. RUDERMAN: So the next formal request, your  
11 Honor, is to return all other license plates to the extent  
12 that they are out there. Paying off these existing loans  
13 on the trades. I don't know how many are left, your Honor.  
14 My clients satisfied most of them. But again, these are  
15 customers. This is not money going to us.

16 Mr. Deo took a trade-in. He should be paying that  
17 off. It shouldn't come out my clients pocket. Delivering  
18 unsold vehicles that are still left. We don't know where  
19 they are. They were left in some repair shops, et cetera.  
20 Hopefully Mr. Deo knows. Then requiring to account for the  
21 books and records, et cetera, and then the restraints that  
22 are already in place. We need those to be reiterated and  
23 kept in place. I don't know if Mr. Deo would keep them,  
24 but we need them in place. That's the only thing that's  
25 going to protect my clients going forward at least to the

1 extent that they say we did the best we could to try and  
2 restrain him from taking wrongful action. I'm not going to  
3 address the defendants motion. I think --

4 THE COURT: Not yet. We're not there yet.

5 MR. RUDERMAN: I'm finished on my argument.

6 THE COURT: Mr. Thomasson.

7 MR. THOMASSON: Good morning, your Honor, thank  
8 you.

9 Your Honor, in 2017 I think it was November 1st  
10 Mr. Deo formed North Shore Motors. Mr. Deo formed North  
11 Shore motors. He formed that corporation and since the  
12 beginning of its operation he and his wife operate this  
13 business. Obtained the lease for that location. It has  
14 during the entirety of its existence been operating from  
15 Michael Drive in Syosset. I believe the full address would  
16 be 189 Michael Drive in Syosset. It's certainly in the  
17 papers, Judge. And they have been operating from that  
18 location ever since.

19 In the current industry, your Honor, there are two  
20 main lenders that back floor plans. There is one called  
21 Netgear and there is one called Allied. And the difference  
22 between those two companies in a lot of ways really size  
23 matters. Netgear tends to fund floor plans for higher  
24 interest rates at smaller dealerships and typically used  
25 car dealerships. And Allied is the big lender for the big

1        boys. And when you operate a dealership, you want to try  
2        and get Allied because then you could get more cars and  
3        better cars. And after they operated -- after Sarah and  
4        Anthony Deo -- incidentally the only reason Ms. Deo's not  
5        here, your Honor, is she's home with the baby. I know the  
6        court was informed about that -- but Mr. and Mr. Deo  
7        operated the business from its -- from its -- they hold the  
8        leases. Those documents have been provided to the court.  
9        And they still hold the leases. Nothing has changed in  
10       that regard.

11                At no time did any plaintiff hold any lease at  
12       North Shore ever. It's always my clients. They have been  
13       there since 2017. Somewhere during or about 2019 my  
14       clients had a discussion with David Baron and there was a  
15       handshake deal for David Baron to provide a floor plan.  
16       Which was effectively replacing a Netgear floor plan with  
17       an Allied floor plan. And that of course was a significant  
18       step up in this world.

19                As we have learned over time, there was a reason  
20       why this was a handshake deal. Who does it like this?  
21       Nobody on this earth does more paperwork than car dealers,  
22       your Honor. They know the importance of contracts like  
23       they know we need to breathe air. It's not even  
24       discussable. But there was no paperwork. And that was on  
25       purpose. Now who is supposed to do the paperwork? The



1 fact of the matter is, Judge, just like landlord-tenant  
2 situation: The tenant doesn't give a lease to the  
3 landlord; the landlord gives a lease to the tenant. The  
4 money people make the decisions about what's going on into  
5 the contract and what's not going into the contract.  
6 Standard operating procedure. Who was the money person?  
7 It was David Baron. David Baron would not provide the  
8 writing. Initially he wanted to see how things were going  
9 I think. My client and it's in the paperwork had a good  
10 relationship with David Baron. Apparently they were pretty  
11 close.

12 And it got to a point where once I got involved  
13 and I said where is the paperwork to Mr. Deo. Mr. Deo  
14 started pushing him for it. And it was agreed that they  
15 were going to start doing paperwork. And the first set of  
16 paperwork they were doing was for Baron Nissan. That  
17 contract and the money paid for that contract, not penny of  
18 which has ever been returned, is before you. And we say  
19 that that contract and that deal is complete. At least in  
20 so far as my client stepped in to David Baron's shoes.

21 David Baron was on his way up from Florida to  
22 complete that deal and to get my client in to Baron Nissan  
23 when he died. And so, therefore, my client never got to  
24 the point of taking over the entire corporation, but we  
25 still take the position that he stepped into David Baron's

1 shoes. Especially without anyone ever having repaid that  
2 money. Coming forward in time, Judge, what ends up  
3 happening is David Baron says to my client actually when  
4 they first got involved and there was shake deal to provide  
5 the floor plan they just don't, Judge. Plaintiffs never  
6 provided any contact on any of this. There is nothing in  
7 writing.

8 What exactly is the agreement between these two  
9 these people? Well, that's why you have these little sets  
10 of documents from us and our paperworks to try and document  
11 it as best we can. Because what happened here was they  
12 basically treated these business like their own piggy bank.  
13 Since they were the money they told Anthony Deo what was  
14 going on. Whether he liked it or not that was the way he  
15 had to do it. He did a deal with the devils, your Honor,  
16 is as simple as that.

17 And he was told what he could and couldn't do and  
18 how it was and wasn't going to take place. With regard to  
19 North Shore David Baron said I want to start claiming the  
20 ownership. There was no documentation of that or it would  
21 be before you. And they just started claiming ownership.  
22 And he simply said.

23 THE COURT: How did that manifest?

24 MR. THOMASSON: That was an agreement verbally  
25 between David Baron and Anthony Deo and Sarah Deo that

1           that's the way that was going to be. And they had a right  
2           to redeem by putting enough money back into the company  
3           themselves.

4                     THE COURT: I recall that.

5                     MR. THOMASSON: We showed that you money, Judge,  
6           again, no doubt about it coming from my clients.

7                     All right. So coming forward in time that's how  
8           North Shore was set up. When David Baron dies what happens  
9           is Josh Aaronson then becomes the point person. David  
10          Baron's son-in-law. Josh Aaronson plaintiff Josh Aaronson  
11          becomes the point person for these plaintiffs.

12                    And apparently they weren't completely overjoyed  
13          with what David Baron was doing they didn't necessarily  
14          want the head of the Baron corporation to be doing this  
15          with Anthony Deo. And so what they say and do with my  
16          client after David Baron's death in May of 2021 is  
17          essentially they say we're not giving you Baron Nissan.

18                    We will continue with the agreement here at North  
19          Shore. You're getting, you know, as soon as the old money  
20          is back you can have the company back because we are not in  
21          the used car business and don't want to be. But we're  
22          happy to continue to supplying the floor plan.

23                    That's not because they weren't making money,  
24          Judge, they were. And they were taking it left and right  
25          any time they wanted. And eventually that will be before

1 the court. What ends up happening is we have a pandemic.  
2 Pandemic money ends up flowing in. And but just prior to  
3 that, your Honor, my clients end up purchasing the Sunrise  
4 business which is a much smaller business than North Shore.

5 But, again, we showed you the checks. There's the  
6 checks, Judge, you have them. My clients paid for Sunrise.  
7 In both instances from the moment that it was agreed back  
8 in 2021 that he was back -- he and Sarah were back as  
9 owners of North Shore and Sunrise they had complete control  
10 over those businesses. In every single way including  
11 hiring a lawyer, not this gentleman, not anybody currently  
12 representing the Plaintiffs. The lawyer that represented  
13 those two businesses for the last two years was me.

14 I turned around and I said to them writings,  
15 writings, writings. He goes to them wants writings, yes,  
16 yes, yes, yes, he gets put off. He gets put off. He gets  
17 put off. They are still supplying the floor plan. He asks  
18 for DMV licenses.

19 Let me tell you something, your Honor, everything  
20 this man just said to you about the DMV is absolutely  
21 false. What happens with DMV licenses is they are issued  
22 in one name and one name only. The owner of that license  
23 are the businesses the corporations. Does some individual  
24 have to sign that application? They sure do, but it  
25 doesn't mean that they are individually involved with that

1 license. They are not at all. They sign as the owner of  
2 the corporation. And they effectively allow themselves to  
3 have the veil pierced. And they could be held liable for  
4 the corporation, business operations, but it doesn't mean  
5 that it is individually applied for.

6 The reason why Anthony Deo pushed him, and again,  
7 we supplied you with the documents it's right there in  
8 writing, why are they trying to deny it? Of course they  
9 won't say a word about it, they can't. They know how bad  
10 this looks. There is e-mails back and forth between  
11 Anthony Deo and Josh Aaronson on the DMV license here you  
12 go, Josh, okay, it's signed.

13 They are asking for it to be signed by Anthony,  
14 Anthony Deo sends it back to them. And then they never  
15 sent it in. They held it on purpose because they knew they  
16 were going to do this. They knew they would be able to say  
17 oh no, Anthony Deo signed the application we don't know  
18 anything about this. They didn't know we had this e-mail  
19 though to show you what they did.

20 That's not an accident, Judge. How are they going  
21 to explain to you, well, they just simply don't. Why is it  
22 that Josh Aaronson is asking Anthony Deo to sign an  
23 application on a DMV license because Anthony Deo at that  
24 point was the owner of North Shore. That's who has to sign  
25 the license. You're not the application. You're not

1       liable individually. You're liable as the shareholder or  
2       member of the corporation. That's how you're held  
3       individually liable, but it really is you're being held as  
4       an officer, an owner of the corporation. That's why you  
5       have to sign it.

6               So they give him the illusion that, well, of  
7       course you're the owner. Here you go. Here sign this.  
8       We'll send it in. We'll take care of it. No problem.  
9       Because their money person an important name for you to  
10      know going forward your Honor is Wendy Kwun K-W-U-N. She's  
11      on all these e-mails. She knows what's what. This is  
12      their CFO. She knows what's going on. And what does she  
13      find out last year, we have to make sure we have to take  
14      care of the tax returns. If we're going to say Anthony and  
15      Sarah are the owners, well certainly we had to do it on the  
16      tax returns.

17             I mean, arguably, I think that tax return was  
18      filed by them one or more after transfer had actually taken  
19      place of both businesses North Shore back to the Deos and  
20      Sunrise to the Deos. I believe one or more tax returns  
21      were filed by the Plaintiffs improperly because Wendy Kwun  
22      who was in North Shore's offices with Anthony Deo urgently  
23      calling Josh Aaronson in front of my client saying OMG we  
24      have to fix the taxes. We have to fix the taxes.

25             So then my client goes to Tom Jones to do the

1 taxes. And Tom Jones says well where's the writings.  
2 Where are the writings here. And there are none because  
3 the people who are the sellers that will do those contracts  
4 won't do them. And never did. None of these things  
5 occurred.

6 But yet those checks all exist. Who puts money  
7 into a business that they are just an employee at. Nobody.  
8 So they had no explanation but about 2 million dollars  
9 changing hands on those two business from the Deos what's  
10 that all about? What's that for? Because they are  
11 employee? They are mere employee?

12 Even worse, if these people really want to say  
13 that they are the owners and heavily involved who abandons  
14 such a business, your Honor. You walk out the door at the  
15 business you own? Who does that? A non-owner does that.  
16 That's who does that, your Honor.

17 And it's interesting because the only line I could  
18 find in their papers that bares on this issue is somewhere  
19 I think it was an affidavit from either Bryant Chabrier or  
20 Josh Aaronson and, your Honor, a tax return does not mean  
21 that they are the owner.

22 THE COURT: I recall seeing that.

23 MR. THOMASSON: There is a single sentence in  
24 there that does that. Oh, isn't that convenient. Really?  
25 It's okay for them to sign off on tax returns which we've

1 given you. And Josh Aaronson himself approved them,  
2 approved, that's what he has right in his email with Wendy  
3 Kwun and Tom Jones the accountant for the Deos initiating  
4 all of that those tax returns listing the Deos as one  
5 hundred percent owners filed last fall were approved by  
6 Josh Aaronson.

7 Then after that was done, they come in here and  
8 it's not even though it's a mistake, your Honor, it's not a  
9 mistake. Because if it was a mistake, they wouldn't have  
10 had that sentence in there. They wouldn't have said, you  
11 know, a tax return doesn't mean they are owners. They put  
12 that in there because they knew what they did. They knew  
13 exactly what they did. And they wanted to try and cover  
14 themselves. They turned around and they left that building  
15 that they are now claiming that they own the corporation  
16 that was operating from there, no one threw them out.

17 What's the big dispute, your Honor? Where is the  
18 dispute that happened that caused them to leave? You  
19 haven't been told a word about that. What happened was  
20 once it was forced that the Deos had to be the owners they  
21 were going to have to approve the tax returns by their own  
22 CFO, they got mad, took their ball and went home.

23 On the way out the door, they just happened to  
24 grab 735 thousand dollars out of an account. And it's  
25 funny it must have slipped counsel's mind. They put it



1 right into Baron Nissan's Chase account. Oh, how  
2 convenient is that? What does Baron Nissan have to do with  
3 that North Shore money? Whoever took it out. No, no, they  
4 took it just like they took the PPP money. And they just  
5 took it and it was gone. Brian Chabrier is one of the ones  
6 who did that.

7 All I can tell you, your Honor, is that from the  
8 time that they left everything they have done is that of a  
9 nonowner. March 15th, 2023, tax first quarterly tax  
10 deadline, what did they file on North Shore and Sunrise?  
11 Nothing. No tax return no extension request. Not a single  
12 plaintiff. Not a soul. Nothing. Why not? It's your  
13 corporations.

14 The fact of the matter is, it's not their  
15 corporations and they know it. And they approved it and  
16 they approved it in writing.

17 The court I would argue respectfully, your Honor,  
18 is bound by that. These people all agreed everybody on  
19 that caption agreed to tell the United States government  
20 and the Department of Finance in New York that my clients  
21 own those two businesses. That's inescapable.

22 The fact of the matter is the DMV nebulous  
23 suggestions we wonder about this and that, your Honor, my  
24 clients paid his dues from a mistake he made while he was  
25 trying to get ahead. By the way, Judge, that was before he

1 married Mrs. Deo. Mrs. Deo just happens to be kind of the  
2 money man in that relationship. She happens to be the one  
3 that brought more than just her beauty and good nature to  
4 the corporation. She also has a family that's wealthy  
5 herself. And helped push everything along. And has been  
6 active participant. Not just on paper. She's been active.  
7 She's one of the two owners of this business. Albeit on  
8 paper it's only one percent. But she absolutely works  
9 these businesses right beside her husband and always has.

10 My client has not done anything whatsoever to  
11 violate this court's order. Notwithstanding what they  
12 suggest. They show you, the court may recall back in  
13 April, Josh Aaronson, shows up at his business walks in and  
14 starts taking pictures. Just starts doing it. That's  
15 improper, Judge, that's improper I wrote the court. There  
16 is nothing that I can doing in a letter to the court. No  
17 relief that could be granted. But what I was really doing  
18 was making sure I put everybody on notice. I will be  
19 coming for that phone.

20 And the fact of the matter is there was no need  
21 for that. Was there a mechanic there? I explained in my  
22 letter to you why there was a mechanic there. We've got  
23 cars that are being stored. They still have 60 thousand  
24 dollars a month in lease payments they have to make on  
25 these two occasions. He's doing what he can to stay ahead.

1 To try and stay afloat. With his two businesses have been  
2 shutdown in large part by people telling you that they  
3 still own the cooperation. That's why you signed that  
4 order, Judge. You're not going to let somebody ruin a  
5 corporation like if he's not the owner.

6 If he is the owner, I'm not saying he's allowed to  
7 do absolutely anything he wants with his own corporation,  
8 he shouldn't violate any laws, but we say he hasn't. He  
9 hasn't done anything wrong. He's not selling any North  
10 Shore cars he's not selling any Sunrise cars why? Because  
11 as it was just admitted, we gave them back.

12 No money has impermissibly come out of my escrow  
13 account. As soon as they asked me back in November we're  
14 going to send you that money and we want you to hold it. I  
15 said, send me the money it's not yours. And I'm not  
16 holding it. You're not telling me what to do on behalf of  
17 any client. And before this action was ever commenced,  
18 that money was out of my account.

19 What they are doing especially by including me is  
20 so obvious. It's transparent, Judge. They are engaging in  
21 the best defense is a good offense. And they are  
22 absolutely leverages us. They are thinking our small  
23 little operation without their floor plan is going to come  
24 and as counsel said, I really don't want to talk about  
25 settlement, but the fact of the matter is they are willing

1 to give us anything we want except money as long as we give  
2 them a release.

3 You want paper? Sure we'll give you those files  
4 back. It is absolutely one hundred percent against DMV  
5 regulations for those files to be removed from that  
6 building. A hundred percent in arguably. I have lengthy  
7 conversations ongoing with the DMV. And there will be more  
8 after they want to talk about impermissible deals. What I  
9 showed you yesterday, Judge, in my letter is called title  
10 washing.

11 That's what's it's called in the business. Title  
12 washing. They are washing the titles on the North Shore  
13 and Sunrise cars before they sell them. A hundred percent  
14 illegal. A hundred percent term of art in the business.  
15 Absolutely not permitted. That's about the only wrongdoing  
16 I have seen them do that I haven't told the DMV about yet.  
17 But they will be told about that I'm meeting with them next  
18 week.

19 To finalize my client's licenses which have been  
20 approved, they have always said you're never going to  
21 qualify for a license. He's already been approved for new  
22 licenses. They wouldn't give them back. I demanded them.  
23 On its face, your Honor, it says very clearly this license  
24 granted to North Shore Motors LLC and 189 Sunrise, LLC  
25 whatever the names of those two corporations are. That's

1           who those licenses are granted to. I have demanded them  
2           back, they refuse. I've demanded the files back, they  
3           refuse. I've demanded access to the software and bank  
4           accounts again, they refuse.

5                       When they took that 735 thousand dollars, Judge,  
6           they logged in with David Baron's credentials. My clients  
7           open that bank account. They didn't open that bank  
8           account. My clients opened it in 2017. They agreed and  
9           put David Baron on that account. And they logged in Chase  
10          Bank told me they logged in with David Baron's dead for  
11          year and a half credentials to take that 735 thousand  
12          dollars to put in Baron Nissan's accounts.

13                      They took that money just like they took the PPP  
14          money. They want to say my clients doing what he wants.  
15          My clients the owner and operator of these businesses. I  
16          know when he took over the Sunrise account. He took over  
17          the Sunrise account in 2021, Judge, because I live in  
18          Lindenhurst. 189 Sunrise is five minutes from my house.  
19          North Shore is up on the north shore it's a pain in the  
20          neck to get to especially with traffic.

21                      So when I would meet with anybody connected to my  
22          work on these two businesses on behalf of the Deos, I would  
23          meet at 189 Sunrise. Where my client staffed the business  
24          with people I have known for 20 years in the business on  
25          Long Island.

1           If these people were actually interested in ever  
2           operating or owning those businesses, they weren't. They  
3           were interested in owning it on paper. So they could do  
4           what they wanted to financially. This was strictly going  
5           to be a money making situation. And as soon as it was  
6           forced to have my client to be doing the tax returns for  
7           those two businesses they up and left.

8           There was no straw that broke the camel's back.  
9           Are we going to have these people say who were one hundred  
10          percent in charge of the books. They had the money. They  
11          were in charge of the books. Wendy Kwun came on behalf of  
12          these plaintiffs every week to deal with the books and the  
13          checks. We're not getting checks are they going to say  
14          who's that. You have a lawyer representing us? No you  
15          don't. They have their own lawyer. And they have plenty  
16          of them I'm sure.

17          This is absolutely a sham that's being forced upon  
18          this court. None of this is true. You have lifelong car  
19          dealers and big ones who have no desire -- again, they flat  
20          out tell me they don't even hide the fact. We're not in  
21          the used car business. We're not in the used car business.  
22          David Baron decided to do the floor plan there to try and  
23          make some money and they stuck with it until my client had  
24          to be put on the tax returns. That's what happened  
25          inarguably.

1 THE COURT: How long did that go on before there  
2 was recognition or awareness or push to put Mr. Deo on as  
3 owner.

4 MR. THOMASSON: It was in 2021 when they first  
5 sold him Sunrise and acknowledged that the term used was,  
6 yes, you have redeemed your interest in North Shore. I  
7 couldn't tell you the exact day, Judge, because it happens  
8 there is no paperwork. But it was in 2021 on both because  
9 that's what last years tax returns are for. Last years tax  
10 returns are for 2021. And so Wendy Kwun knew that. Tom  
11 Jones knew that. Tom Jones knew that before he filed it, I  
12 said you better get approval from them because there is no  
13 writing that says who owns it.

14 And it's important for the court to understand  
15 that they controlled the writings. They control the money.  
16 They called the shots. They shut it down. Come in here and  
17 tell you that they are the owners. Shut it down, Judge,  
18 they ruined my client's businesses. They have been shut  
19 down for six months. They demanded the cars back. We  
20 worked something out. We didn't work anything out.

21 I sat down with Anthony he said all right the  
22 floor plans means the cars are backed by them financially,  
23 right? He says, yeah, then we have to give it back. He  
24 says I agree a thousand percent. Give him the cars. We  
25 gave him every car. We told them where they were eight or

1           ten of them in various repair shops. I hope when they say  
2           to you that some of the cars have damage or were in  
3           disrepair, I hope they are not suggesting somebody did  
4           anything to them. They are just the cars that come from  
5           the various auctions and so forth, maybe some trade-ins  
6           that have not yet been resold. They are just in the  
7           condition they are in. Nobody's utilizing these cars or  
8           doing anything with them. They sit until they are sold or  
9           resold. That's all that happens. They were told right  
10          where everything was.

11                 So as my client's shutdown can't get another penny  
12          out of any of the accounts which they also conveniently  
13          shut down, the fact of the matter is what do they want to  
14          us do about the cars in the repairs shops? We gave you all  
15          the cars we could and told you where the other ones were.  
16          We haven't done anything wrong that.

17                 My clients I have the paper work on the Maserati.  
18          The Maserati was bought by my client. No question about  
19          it. I have got the paperwork. He gave them the paperwork  
20          if what they did with the paperwork, I don't know. All I  
21          have is copies, your Honor. They have the originals.

22                 We're going to be told we were never given  
23          paperwork. You know what that means, Judge? Here again  
24          the same thing my client's son had that car for two years  
25          well they are heavily involved. They don't get mad or



1           upset or say boo. You don't have e-mails, have your son  
2           bring back that Maserati. Who takes a car from the Baron  
3           people when they don't own it? Who does that? They lent  
4           them for two years? Is that what they do? No, they don't.  
5           No, they don't. They are not being honest, your Honor.  
6           They knew. They didn't send the paperwork. They knew  
7           that. My client gave it to them at their request. They  
8           didn't send in the paperwork. Because this was all  
9           planned.

10                       We are going to bleed this place for as much money  
11           as long as we can. Then we're are going to leave. And  
12           we'll pound those people into submission on the way out the  
13           door. We'll offer them back -- they took all the  
14           paperwork. It's illegal to take that take paper work off  
15           that property, your Honor. It's not permitted. And they  
16           are that happy to give it back to us. As long as we'll  
17           give them the release with no money changing hands. We'll  
18           give you the release no problem. You could have everything  
19           you want. Here, here, here. Just no money. Don't think  
20           we're giving you any money.

21                       Because Anthony Deo's a bad guy? This is like the  
22           James gang, your Honor. These people do what they want.  
23           When we try to serve -- we served subpoenas. One of the  
24           answers as we go forward, tax returns are going to tell  
25           everybody an awful lot about who owns what and when. And I

1 say they are dispositive. Contrary to that one sentence  
2 they try to slip by the court -- the fact -- and apparently  
3 didn't. The fact of the matter is, I served subpoenas on  
4 the Island Auto Group which is the umbrella company under  
5 which all these Plaintiffs' exist and work.

6 I served subpoenas Mrs. Aaronson initially said to  
7 my process server, I have an auto group, North Shore  
8 Motors? I don't know anything about that. Absolutely not.  
9 I hadn't spoken to the process server myself. So the  
10 process server turned around and left. I told them. They  
11 were mad. They went back ended up basically throwing it at  
12 her and leaving and saying there now you're served.

13 The document I request from them were due on May  
14 19. It's 11 days ago. I have nothing. I served the  
15 subpoena on their accountants. I want tax returns. Give  
16 me the tax returns. Tax returns for anybody that you  
17 prepared that indicates ownership of North Shore Motors and  
18 Sunrise Highway dealerships. Those document were due to me  
19 on May 19. I have nothing. Nobody's reached out.  
20 Nobody's asked for more time. Nobody's asked for anything.  
21 I have nothing. We're now into let's play keep away with  
22 the documents that are absolutely going to show that nobody  
23 claimed ownership of these dealerships last years on these  
24 tax returns. And nobody filed anything March 15 regarding  
25 those two corporations either. I couldn't wait to show you

1           that today, Judge. But of course in the back of my head, I  
2           said, they are not going to comply with something like a  
3           subpoena just to sink themselves on May 30th.

4           THE COURT: We have to wrap it up.

5           MR. THOMASSON: I will wrap it up.

6           But as far as their order to show cause, they are  
7           not the owners. They don't even own the DMV licenses.  
8           They don't own those corporations. They are not entitled  
9           to any of the relief they are asking for. And they have  
10          already gotten back all of the cars that they should have.

11          I don't know what else I can say about that. And,  
12          furthermore, I haven't had any money from that 735 thousand  
13          dollars in my account since before this action was filed.  
14          And, furthermore, they were told that, Judge, in writing  
15          they were told that. I believe it's attached to my papers.  
16          I told them that this was never going to happen and it  
17          didn't. And I have told them again subsequently that was  
18          for leverage. That's my position on the order to show  
19          cause, your Honor.

20          THE COURT: A minute.

21          MR. THOMASSON: Doesn't Libertas get to go, your  
22          Honor?

23          THE COURT: I'm so sorry.

24          MR. EPSTEIN: So from libertas perspective we gave  
25          them money. We signed contract with North Shore motors,

1 Sunrise. From our perspective, we provided the monies.  
2 The dispute between them during multiple parties here  
3 really doesn't involve Libertas. Other than there is a  
4 contract they did receive the money.

5 The Plaintiffs admit that the money was put into  
6 the, you know, was given to the Plaintiffs. The Plaintiffs  
7 then personally took out the -- either personally or took  
8 the money from the accounts when my clients put it took it  
9 into their own pockets, converted the funds because  
10 apparently they own the business. And then notified  
11 Libertas about it.

12 And instead of sending it to Libertas saying, hey,  
13 we're owners of the company, we never authorized this  
14 transaction, hey, this money shouldn't, you know, shouldn't  
15 go to us, they instead turned it over to Anthony Deo. And  
16 we're still waiting for that money. The idea that there is  
17 -- they forget also there is a TRO here pending the hearing  
18 and that the parties have each told me that they were in  
19 settlement discussion. And I believe that they were in  
20 settlement discussions and first by not suing someone  
21 doesn't impugn any guilt or liability or anything of that  
22 sort that my client's not hammering going to town on  
23 Anthony Deo or North Shore. The answer is simply because  
24 we're still in the middle of litigation. Last time when we  
25 were here when they thought there was quick resolution the

1 parties said we're settling this and we pushed it off till  
2 today. The idea that they took the money and they then  
3 took it out of their account and then gave it to Anthony  
4 Deo is cause for concern on our part. That on one hand  
5 they claim that they own North Shore Motors. On the other  
6 hand they don't owe Libertas any of the debt. That's  
7 number one.

8 Number two, there is no irreparable harm as far as  
9 North Shore Motors here which is what they are alleging  
10 what they are asking for in their TRO. They want to enjoin  
11 Libertas gave them the money. The money is nowhere to be  
12 found. Now because each side says it's not my problem it's  
13 Anthony Deo problem, even though North Shore admits that  
14 they took it in their affidavit.

15 And I quote, when we became aware of the deposits  
16 in our Sunrise account we arranged to have the money  
17 withdrawn and held to avoid Deo from taking these funds  
18 with the assistance of a former police detective employed  
19 by North Shore. The criminal come.

20 THE COURT: Slow down for the reporter.

21 MR. EPSTEIN: With the assistance of a former  
22 Police detective employed by North Shore threatened  
23 criminal complaint and arrest. As well as the issue we  
24 arranged for the money to be placed in the attorney's trust  
25 account of Harry Thomasson. And the point is that they

1 just gave the money back to Deo. So we gave the company  
2 money, the Plaintiffs took it out and then gave it back to  
3 Anthony Deo. And we haven't received money from North  
4 Shore or from Anthony Deo. And the main issue here is that  
5 whether or not they believe that they either, you know,  
6 whether North Shore whether plaintiffs believe that they  
7 owe the money, the point is that they got 735 thousand  
8 dollars. It's not and even if they if they want to say  
9 that there's no agreement here they still owe us the 735  
10 thousand dollars back. And they are claiming that it will  
11 be irreparable harm if we're able to collect that money.

12 If there is any status quo that should be here is  
13 that we should be receiving the money from the plaintiffs  
14 and from Sunrise and from North Shore here pursuant to the  
15 contract. Let them pay it to us and while they deal with  
16 this disagreement between them, we're at least getting paid  
17 on the debt which they owe or at least getting paid back  
18 even if not then give us the 735 thousand dollars which we  
19 offered both sides already. Give us the money and we'll  
20 walk away from this action tomorrow.

21 I also want to say that during it's just  
22 interesting to me from Libertas' perspective that while  
23 they are asking to enjoin Libertas and ask for a TRO, both  
24 sides here have made allegations against each other  
25 regarding of what all the parties have done during the time

1 of this TRO and have used the TRO time to open new  
2 corporations, to open new business, to move the cars. And  
3 all that the TRO accomplished from both sides is that  
4 Libertas is being stuck while both sides divest the  
5 companies of any ability to pay Libertas.

6 And, again, even if Libertas, again, it's money  
7 there is no irreparable harm here. There's no balance of  
8 the equities is not in favor of the plaintiff movant  
9 because Libertas is entitled to the money and they admit  
10 that they got the money. They admit they took the money  
11 into their own possession. And then they admit they gave  
12 it back to Anthony Deo. Therefore they just took the money  
13 and converted it.

14 The only thing they admitted is that they  
15 converted all the funds that Libertas gave to North Shore.  
16 And, again, even if they don't believe that they own the  
17 full amount of what's paid of the about a million dollars  
18 that's owed back, at least the 735 should be returned to  
19 Libertas. And if they are just using the TRO to prohibit  
20 Libertas from collecting then it's just we're just waiting  
21 for them to solve all their issues while we wait on the  
22 side.

23 THE COURT: And you get left out of the cold.

24 MR. EPSTEIN: We get left out in the cold as we  
25 are now.

1 MR. THOMASSON: Anthony Deo admits, your Honor,  
2 that he is going to repay that money as soon as he is able.  
3 That is not, I believe no one here disputes that Anthony  
4 Deo going to repay that money. I believe he's also the  
5 personal guarantor, Judge, I don't know why Libertas has to  
6 be part of this.

7 THE COURT: I thought I read in the papers that  
8 Mr. Deo did personally guarantee the money.

9 MR. THOMASSON: He did, Judge, I don't know what  
10 this is we're discussing regarding Libertas they should not  
11 be subject of an order to show cause either.

12 MR. EPSTEIN: Well because North Shore is claiming  
13 that that's their company and that's why they are including  
14 us as I guess a necessary party, oh, and but they converted  
15 the funds and took them. So a lot of the issues are being  
16 discussed in this court is the same thing as if we brought  
17 a lawsuit as well.

18 MR. THOMASSON: Sword versus shield.

19 THE COURT: Very brief, Counsel.

20 MR. RUDERMAN: I'm just going to go through some  
21 of the points.

22 THE COURT: Yes, but very briefly. We still have  
23 the second.

24 MR. RUDERMAN: I understand.

25 I don't understand why Mr. Thomasson keeps saying



1 my client orchestrated something and I'm trying to figure  
2 out why to what end what was the purpose. So my clients  
3 put million dollars of dollars into a dealership which they  
4 are never going to get back to do what Mr. Deo? So he  
5 didn't have a company and my client lost millions of  
6 dollars. It makes no sense, your Honor, I mean my client  
7 got involved with this guy. They funded it. They hoped to  
8 get out of it.

9 THE COURT: Well, what I thought I heard him say  
10 just in brief summary is that they were making money from  
11 the floor plan and there was no distinction as to ownership  
12 and Ms. Kwun recognizing that tax returns needed to be that  
13 there had to be an owner associated with the tax returns.  
14 And when she made that determination -- and Mr. Deo's name  
15 was placed on the tax return that the Plaintiffs no longer  
16 found it financially advantageous, right, to continue the  
17 relationship as it had been going on a less than formal  
18 manner and they pulled out.

19 MR. RUDERMAN: That's a great statement by  
20 Mr. Thomasson.

21 THE COURT: That's in part what I heard him say.

22 MR. RUDERMAN: I think I heard the same, your  
23 Honor. Which of course if there was anything to back up  
24 what Mr. Thomasson said would be nice. But if you take a  
25 look at the facts that are laid out. It wasn't like oh we

1 have to then give it to back to Mr. Deo. It was, oh, we  
2 want to give it back to go Mr. Deo because we now have  
3 pumped in five million dollars into a losing proposition  
4 run by Mr. Deo. We like Mr. Deo to take it over when he  
5 takes responsibility for the hole that he put us in.

6 As a matter of fact, one of my favorite things  
7 Mr. Thomasson said he said the owners on the DMV license  
8 sign it. Why? So that the DMV could pierce the corporate  
9 veil and hold the owners liable for the business operation  
10 that's what Mr. Thomasson said. Is that anything different  
11 from what I said?

12 I said my clients were listed as the owners. My  
13 clients are personally liable for all this stuff which  
14 Mr. Deo says he ran everything. So every problem with that  
15 dealership. Every customer complaint. Every dollar that  
16 was not repaid is because of Mr. Deo. He can't blame it on  
17 anybody else. As he says here. But who was on the hook  
18 for it, my clients. As Mr. Thomasson says, we're  
19 responsible. We can be sought after by the DMV as the  
20 owners. We're personally liable. Not Mr. Deo. He walks  
21 away scot free.

22 My clients were petrified. They said we need to  
23 run from Mr. Deo. And here's the terms of running away.  
24 The terms of running away, you can sign the tax returns,  
25 we'll transfer that. We'll transfer the licenses. We'll

1 transfer everything. You take on all the obligations and  
2 the hole you put us in. When Mr. Thomasson keeps saying my  
3 clients falsely gave him the DMV license to have him sign  
4 it. First of all, again, I still don't get why --

5 THE COURT: He said they asked him to sign it but  
6 they never returned them. That's what he said.

7 MR. RUDERMAN: He said that Mr. Deo signed them  
8 and sent back to our client. And that my client falsely  
9 and fraudulently didn't file them. Why would they do that?  
10 Why would they keep themselves on the hook? Because,  
11 again, it's not disputed that all these customers were  
12 complaining. It's not disputed all these bad things were  
13 happening. My clients are on the hook everyday.

14 And we're here to really extricate my clients from  
15 this situation that's all they ever wanted. To shut down  
16 the business? The business was losing money hand over  
17 fist. My clients were pumping millions of dollars into it.  
18 Why would they want to shut it down. They were going to  
19 shut it down and hand it Mr. Deo. But when he takes it,  
20 you have to take the good with the bad. And the bad with  
21 the good. He only wanted the good. Give me the tax  
22 return. Give me the license and I'm good. No, you want  
23 it, it's a package deal. You got us in this situation you  
24 take it over.

25 And then you will see all the communications, your

1 Honor, we're not in discovery yet. All the communications  
2 where he promised he would take it over.

3 Now the license that was sent back, your Honor,  
4 the e-mails that are shown there's e-mails from  
5 Mr. Thomasson. My clients three times, Mr. Deo, did you  
6 sign the license and did you send it back to them? No  
7 response from Mr. Deo. No communication from Mr. Deo. The  
8 only thing we have is Mr. Deo's testimony in this  
9 affidavit. I send it back to them. No proof of mailing  
10 not even a copy with his signature on it.

11 So he says I sent it back. It's very good for him  
12 to say all these things happened. Do you understand that  
13 80 percent of what I present to the court I have got  
14 paperwork for. How much did Mr. Thomasson have real  
15 paperwork? Very little for the things that he claims my  
16 client did. How about the fact that Baron Nissan who is  
17 not even a party to the action the contract which is  
18 annexed to the exhibit as exhibit C to Mr. Deo's papers is  
19 signed by David Baron so is Mr. Deo.

20 Guess who didn't sign it? Ron Baron the other  
21 person who only owned the other 15 percent. Do you think  
22 David Baron had a right to transfer adjusted interest  
23 without David Baron. Have you seen -- has the court seen?  
24 Have we seen it? Your Honor, I can tell you when two  
25 people own a company and we will present it when need to,

1 if there is an operating agreement there will be a  
2 limitation as to what you can do and how much you can  
3 transfer. All right. So none of that happened here. He  
4 couldn't just jump in the shoes. And believe me he wasn't  
5 selling 250 thousand dollars. Which by the way was  
6 supposed to go to an escrow account to Mr. Boylan who  
7 represented the dealership. It didn't go to Mr. Boylan.  
8 Why didn't it go to Mr. Boylan as per the agreement?

9 THE COURT: You have five minutes.

10 We have to finish the second motion before lunch.

11 MR. RUDERMAN: Okay. Thank you.

12 We were forced to file the tax return. We didn't  
13 force my clients to file any tax returns. Is there a  
14 document or e-mail? My client wanted to do that. They  
15 really did. They wanted to give Mr. Deo the company  
16 because he was supposed to take on the obligation, but he  
17 didn't. That's why we're here. This was a package deal.  
18 And he used these tax returns to say there was a  
19 standalone. It was not a standalone, your Honor.

20 I have given you the case law showing that. You  
21 have to look at the totality of the circumstances. The tax  
22 returns alone don't show ownership or shows ownership if  
23 there was a relationship between parties. Did they have an  
24 understanding and an agreement clearly that was breached.

25 MR. THOMASSON: It's attached as an exhibit.

1 MR. RUDERMAN: I haven't seen any 2 million  
2 dollars. I don't know where Mr. Deo got 2 million dollars  
3 from. Then said what forced them to take the actions that  
4 they did. What forced them? That they were five million  
5 dollars under water. And then subject to complaint by  
6 customers whose cars were being traded off. I don't know  
7 about the PPP money. He keeps claiming my clients took it.  
8 I don't see anything showing they took any PPP money. They  
9 keep saying it. I don't see any document supporting this  
10 allegation. All the PPP money was taken by my client. I  
11 haven't seen that.

12 MR. THOMASSON: We can't get anything from Chase  
13 bank, Judge, they shut us out.

14 MR. RUDERMAN: So again empty allegations, your  
15 Honor. The reason my clients didn't file tax returns, your  
16 Honor, because Mr. Deo filed it last year. We're already  
17 in litigation. This is big mess as you can understand.  
18 Okay. We filed tax returns. We filed an extension for a  
19 tax return. Mr. Deo had last year and he filed it at the  
20 same time the IRS is going to start rejecting things. You  
21 know what, we're here in court right now, the company  
22 didn't make any money. So he's not going to owe any taxes.  
23 There is millions of dollars. Right now we want to sort it  
24 out.

25 We certainly don't want any audit coming down. So

1 we just put it on hold for now. The dealership is not  
2 going to owe any money. Okay. And he still didn't explain  
3 the Flushing Bank. What happened to the money? Flushing  
4 Bank put a lien on all North Shore assets during the TRO  
5 period. Where's the money.

6 By the way, where is the 735? He says, he'll give  
7 it back when he has to. But he has the money. Where did  
8 it go? Those were North Shore's assets. That is what he  
9 said, he sold North Shore's assets to get cash. That money  
10 belongs to Libertas. Libertas says give me money. Well,  
11 yes, I took it. By the way, Libertas keeps saying we gave  
12 it to Deo. We didn't give it Mr. Deo. Who did we give it  
13 to, your Honor? We gave it to Mr. Thomasson. He says, you  
14 don't tell me what to do with it. We're here because  
15 that's what he said. Frankly, your Honor, he's kind of a  
16 witness. And he's kind implicated in this whole fact here.

17 I'm not moving to be for him to be disqualified,  
18 your Honor, this is something we thought about. How could  
19 Mr. Thomasson sit here and say I will do what I want with  
20 the money. And now Libertas saying it's because of what  
21 you did, Mr. Thomasson, with the money that Mr. Deo took  
22 it.

23 Now Mr. Deo spent it. On what? On what? This is  
24 company money supposed to be operating the dealership.  
25 Guess what the dealership isn't operating. So where's the

1 money. Where is the Flushing money? He's using it all to  
2 start a new business. He wants this company. I think most  
3 important thing I don't think Mr. Thomasson argued as to  
4 why the TRO should not be issued. All he argued about --  
5 why he should be able to use license of North Shore when he  
6 doesn't want it anymore. Why should he not have to return  
7 dealer plates that are left open. I haven't hard one  
8 argument from Mr. Thomasson why the TRO we're here for why  
9 should this TRO not be issued. Not one reason why. All he  
10 says is his clients owed money. His clients got shut down.  
11 The TRO should be issued, your Honor, no reason not to.

12 THE COURT: Thank you.

13 Now we're going to move on to and you're each  
14 going to have five minutes on the second motion which is  
15 defendant's motion to dismiss. I outlined earlier on the  
16 record.

17 MR. THOMASSON: Your Honor, at the core of this  
18 motion are the same things we have been discussing for the  
19 last hour plus. My clients are the owners of that business  
20 Josh Aaronson's son approved the tax returns showing that  
21 my clients are the owners of this business. That reflects  
22 what they were discussing that reflect the money that was  
23 given into these two businesses. And we've shown you the  
24 checks that were attached to our documents, Judge.

25 At the core of our motion we're the owners of this



1 and, your Honor, respectfully you have got everything in  
2 writing. You're going to have regarding ownership other  
3 than eventually some tax returns that I am going to get no  
4 matter how long they try and play keep away. That's going  
5 to show you what it is that happened. Although I think we  
6 just had an admission that indeed they didn't file anymore  
7 tax returns after Josh Aaronson approved my clients as  
8 owners on the tax returns.

9 And so we really need to make a finding who the  
10 owners are because everything flows from that. Everything.  
11 If my clients are the owners since they paid the moneys  
12 back in 2021 on those two businesses then they are not  
13 entitled to their TRO. And we are entitled to the relief  
14 we are requesting for here. Because my clients are the  
15 owners of North Shore and Sunrise.

16 Their action and their motion should be denied and  
17 dismissed because this is inappropriate for them to say  
18 that if they are not the owners what do they care about how  
19 my guy is operating that business. It may be that money is  
20 owed in one direction or another. I can assure this court  
21 that we certainly think they are going to owe us money for  
22 ruining our business if this court find that we are the  
23 owners since 2021.

24 We don't see it ourselves. Now what are they  
25 going to do. Are they going to say that one of their

1 employees while they were the owners were doing things that  
2 they didn't know they didn't approve of. And PS, they  
3 didn't show you any of that. Nothing. Nothing. What you  
4 fire employees who are running things the wrong way. You  
5 fire employees who are costing you million dollars, if  
6 you're the owner.

7 So we're asking for relief here, Judge, to  
8 effectuate what we need as owners. We're also asking if  
9 for any reason the court doesn't go far enough, if for any  
10 reason, the court can't make certain decisions, we would  
11 like something expedited. We have never said to this court  
12 we don't want these corporations. We're fighting for these  
13 corporations. That's what we're doing here. We've  
14 demanded the licenses back. They are issued in the name of  
15 the corporation. They have approved us as owners.

16 They won't give it to us. I need the document to  
17 keep -- I have asked for them here. I need the documents  
18 to keep the action going that I am dealing with. I'm  
19 dealing with actions over the years from when they were  
20 also involved. They knew I was involved. They knew I was  
21 dealing with things. They knew I was being paid by those  
22 corporations. They had the checks. They had the checking  
23 account. They had control of all of the money. They knew  
24 about me, your Honor, the fact of the matter is I have got  
25 stuff going on I can't answer. I don't have dealer jackets

1           that by law aren't supposed to leave these building. I  
2           have asked for it here. I have asked for it back. I have  
3           asked for access to the software. They just shut my  
4           clients down and out of everything.

5                     They want to complain that people are coming to  
6           them when we have nothing for them. We have no money we  
7           can spend on them. We have no dealer jackets to deal with  
8           any issue that anyone has. They want to say all of these  
9           cases this court hasn't been told what cases exist.

10                    I have two litigations and half a dozen attorney  
11           general complaints. That's standard. These are car  
12           dealerships. I have dealt with more than that on new car  
13           dealerships, not used dealerships, Judge. And if anybody's  
14           upset since they left and shut us down through your TRO,  
15           the fact of the matter is whose fault is that? They got  
16           exactly what they asked for because we can't deal with  
17           that. That's the basis of my relief. I really wish we  
18           cold have more time, but I understand the court's position.  
19           We have got to get it done.

20                    THE COURT: Yes.

21                    Counsel.

22                    MR. EPSTEIN: I have no position. It's not my  
23           motion to dismiss. I figure either way it will resolve  
24           itself by the court and everything will be dismissed or  
25           we'll deal with what the next steps are.

1 THE COURT: All right. Counsel.

2 MR. RUDERMAN: To clarify, your Honor, the motion  
3 to dismiss, I tried to break it down in my brief, really  
4 relates to claims concerning ownership issues. Not all of  
5 the allegations in the complaint causes of action relates  
6 to the ownership to the extent that the ownership issue is  
7 not essential to that cause of action there is no motion to  
8 dismiss with regard to that. I have laid those out. There  
9 is a lot of relief and a left various motions that are not  
10 quite articulated and broken down in the motion papers.

11 To the extent that are injunctive relief that was  
12 sought as I noted, your Honor, in my opposition papers, the  
13 CPLR does not allow for injunctive relief to be granted to  
14 a defendant unless they filed counter claim or cross claim  
15 just -- so there is no injunctive relief which can be  
16 granted. In other words CPLR 6001. The absence of an  
17 appropriate counter claim or cross claim and the demand for  
18 judgment there on preliminary injunction. In the absence  
19 of appropriate counter claim or cross come and demand for  
20 judgment thereon preliminary injunction as not available to  
21 the defendant. And that is Pen Cam, Inc, versus Gets 426  
22 New York supp second 578 at page 579. It's a Second  
23 Department case 1980. There are many others that's one I  
24 have cited to your Honor.

25 With regard to the other relief that was requested

1 again what Mr. Thomasson keeps arguing is that they are the  
2 owners and he's arguing again that my client is not  
3 entitled to relief which has nothing to do with his motion.  
4 His motion has nothing to do with the relief we are  
5 requesting. The fact of whether they are, in fact, owners  
6 or not owners is not has nothing to the fact my clients had  
7 the licenses issued as owners and they are personally  
8 liable for the actions of Mr. Deo. So that has nothing to  
9 do with the issue.

10 And our motion for the injunctive relief is not  
11 dependent on our ownership, my clients ownership. Only  
12 their license which is not should not be in dispute.

13 THE COURT: You just said your clients not owners  
14 but they had the license issued as owners.

15 MR. RUDERMAN: Correct. My clients' name were on  
16 it. There was no dispute, I believe, that my clients were  
17 owners of the dealership certainly through 2020. I don't  
18 think Mr. Deo disputes that. I have tax returns that are  
19 attached to our papers, your Honor, which is exhibit B.  
20 And I think we have another one at the end for Sunrise  
21 which is exhibit Z. Those are tax returns from 2020, your  
22 Honor. All of my clients various clients had different  
23 ownership interests.

24 I don't think there is any dispute certainly  
25 between some period of time 2020 my clients listed on the

1 tax returns as sole owners of both of these dealerships  
2 Mr. Deo claims that in 2021 he took over ownership. Those  
3 that was not effectuated until the fall of 2022. That's  
4 the fact pattern. So my clients had the license with their  
5 names as owners submitted to the DMV. I don't think that's  
6 in dispute.

7 However, what Mr. Deo wanted was he wanted to be  
8 listed as owner. My clients said fine. Then you have to  
9 change it with the DMV until we're taken off as owners, we  
10 are as Mr. Thomasson said personally liable for all the  
11 actions of the dealership. I don't think that's in dispute  
12 here.

13 MR. THOMASSON: Can I have time to reply, your  
14 Honor?

15 THE COURT: It is your motion. I will give you  
16 the last word.

17 MR. RUDERMAN: To move on from there, your Honor,  
18 the various elements that are necessary to establish  
19 dismissal, your Honor. I have gone through them in great  
20 detail. I believe your Honor has them. I don't know if  
21 you want me to go through all the elements.

22 THE COURT: Not necessary.

23 MR. RUDERMAN: If there is any one in particular  
24 that your Honor has any question about I think the tax  
25 returns is one most at the heart of the -- and the key to

1       this one, I presented several cases, your Honor, where the  
2       courts have looked at the tax returns. And they have  
3       looked at the circumstances. And in those cases, your  
4       Honor, we have page 15 of my brief, your Honor. When tax  
5       returns are presented to prove ownership, the court found  
6       that under Estate of David Barnett, 2019 New York Law  
7       Journal Lexus 4749 at page 17. That in that case  
8       decedent's tax return did not quote unquote utterly refute  
9       the claimed allegations the decedent demonstrated a  
10      practice of giving interest in realty to his nephews.  
11      Making possible that he acquired these properties with his  
12      nephew in mind. In that case the question whether or not  
13      these tax returns showed absolute ownership they were able  
14      to show through extrinsic evidence that he had practice of  
15      giving over interest to family members and therefore the  
16      fact -- did not mean that they did not have an interest in  
17      those entities.

18               So that is one case I presented. The other one,  
19      your Honor, Kimelstein verse Kimelstein 2011 New York  
20      Miscellaneous Lexus 5352 Suffolk County case from 2011.  
21      Where two brothers were disputing the ownership interest  
22      and one brother said that while the tax returns are in my  
23      name therefore you don't own anything. And the court found  
24      that that the other brother who claimed an interest had  
25      affidavits and checks supporting his claim as to the nature

1 of the transaction that he had an interest and the court  
2 said you don't get dismissal. You don't get summary  
3 judgment. These are issues and this is what we're before,  
4 your Honor, there are issues here. I don't think either  
5 party has enough here to say to this court we can establish  
6 ownership at this point in time and certainly.

7 THE COURT: Doesn't that cut against some of your  
8 other arguments?

9 MR. THOMASSON: Yes, yes.

10 MR. RUDERMAN: No, your Honor. The ownership for  
11 our purposes of the TRO as long as the license has my  
12 clients name on it whether they whether ownership has  
13 changed, we do not concede, we believe that the dealership  
14 is still owned by my clients that's our position, but I  
15 can't say for summary judgment purposes that's established  
16 here.

17 I think we have likelihood of success in that.  
18 And as your Honor knows, being that there is facts in  
19 dispute about it is not a reason not to grant the  
20 preliminary injunction. But I don't know how much stronger  
21 I could say this, your Honor, the ownership issue actual  
22 ownership issue in dispute but not determined is not  
23 determinative of our TRO.

24 THE COURT: I heard you all of the many times that  
25 you have made the points. Thank you.



1 MR. THOMASSON: Two points, your Honor, first of  
2 all the cases that he cites and I read them the fact of the  
3 matter is you had people filing tax returns as a sword and  
4 not as a shield. They weren't doing it out of duty or  
5 obligation as owners. They were trying to create the  
6 impression of ownership by filing tax returns. Or people  
7 were instead looking at tax returns and trying to say from  
8 the position of a nonfiler that it was that that's the  
9 determinative.

10 It's different here, your Honor. They approved  
11 our tax returns being filed with my clients as owners and  
12 their approval is in writing and before you. As confirmed  
13 by their CFO and our accountant. And Josh Aaronson himself  
14 approved it that's what he says in those papers. Approved.  
15 That's very different than the case they cite. In this  
16 instance it's not just the tax returns, it's also that  
17 approval that's relevant to confirm that my clients are  
18 indeed the owners.

19 And it's our position of course it's convenient  
20 they know they have a problem with that. So they styled  
21 their papers as in the alternative not the way it's  
22 typically done with this, you know, with the contract  
23 theory or alternatively fraud, no, no, they do it with the  
24 facts. I never seen anything like that. We're the owners,  
25 your Honor, and this man ruined our company. Or we're not

1 owners and he's a bad guy anyway. That's absolutely what  
2 they did, your Honor.

3 What I'm saying is as of some point in 2021 as  
4 reflected in documents, my guy was in charge. It is not  
5 last fall that he becomes the owner because they approved  
6 the tax returns. The tax returns didn't effectuate his  
7 ownership as counsel said. The tax returns and those  
8 e-mails approving them reflect that the paperwork and  
9 monies paid back in 2021 absolutely indicate that's when my  
10 client redeemed the North Shore business and took over  
11 Sunrise. That's an important distinction, your Honor.  
12 That I wanted to make sure you understand. That's why they  
13 are not entitled to relief.

14 Why are they entitled to control North Shore if  
15 they are not the owners at the time that they file and they  
16 told you that they are the owners. They committed fraud.  
17 And it's important you understand that with regard to the  
18 DMV license. And we gave you the paperwork, Judge, it's  
19 there. Send me the paper work, sign the DMV license. Why  
20 are they asking my clients to sign the DMV license from  
21 last year or 2021 whatever the date is on those.

22 It's because he's now the owner. He gave them the  
23 paperwork back. His affidavits says that. I gave them the  
24 paperwork. He never knew that he wasn't the owner. He  
25 kept demanding the licenses from them give me the license.

1 Yes, yes, we will. We will. We will. We will. And then  
2 they leave and they still haven't given him the licenses  
3 because they want to claim that they are the owners or they  
4 are not. That's their position. It's not one it's both.  
5 And I'm just I provided paperwork that I think clarifies  
6 the issue for both motions, your Honor.

7 THE COURT: Thank you all very much decision  
8 reserved on motion sequences one and two and you will be  
9 notified accordingly.

10 MR. THOMASSON: I just ask Judge that you do  
11 whatever you can as soon as you're able please.

12 THE COURT: I will. Thank you.

13 MR. RUDERMAN: Thank you, your Honor.

14

15 CERTIFIED TO BE  
16 TRUE AND CORRECT

*M. León*

17 MELINDA LEON, RPR  
18 SENIOR COURT REPORTER

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